



TEXAS DEPARTMENT OF INSURANCE

Division of Workers' Compensation - Medical Fee Dispute Resolution (MS-48)

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MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION

GENERAL INFORMATION

Requestor Name

American Specialty Pharmacy

Respondent Name

TASB Risk Management Fund

MFDR Tracking Number

M4-17-2381-01

Carrier's Austin Representative

Box Number 47

MFDR Date Received

April 7, 2017

REQUESTOR'S POSITION SUMMARY

Requestor's Position Summary: "The carrier has denied this bill due to the physician dispensing the medication without preauthorization. UHS is a billing service ... UHS was not aware at the time of billing that the patient was not to have a prescription written without preauthorization..."

Amount in Dispute: \$2,697.70

RESPONDENT'S POSITION SUMMARY

Respondent's Position Summary: "The prescribed compound medication, Pennsaid, contains an 'N' drug. Per rule §134.530(b)(1) preauthorization is required for any compound that contains a drug identified with a status 'N' in the current edition of the ODG Appendix A ODG Workers Compensation Drug Formulary, and any updates."

Response Submitted by: TASB Risk Management Fund

SUMMARY OF FINDINGS

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
September 15, 2016	Pharmacy Service - Pennsaid	\$2,697.70	\$0.00

FINDINGS AND DECISION

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and applicable rules of the Texas Department of Insurance, Division of Workers' Compensation.

Background

- 28 Texas Administrative Code §133.307 sets out the procedures for resolving medical fee disputes.
- 28 Texas Administrative Code §134.540 sets out the requirements for preauthorization of pharmaceutical services subject to a certified health care network.
- The insurance carrier reduced payment for the disputed services with the following claim adjustment codes:
 - 197 – Payment adjusted for absence of precertification/authorization.

- Note: "Per Rule 137.600 treatment provided on or after May 1, 2007 must be in accordance with the Official Disability Guidelines."
- Note: "ALL MEDICATIONS THAT ARE COMPOUNDED WILL NEED PRE-AUTHORIZATION BEFORE SERVICES ARE REIMBURSED PER OFFICIAL DISABILITY GUIDELINES."
- 193 – Original payment decision is being maintained. Upon review, it was determined that this claim was processed properly.
- W3 – Additional payment made on appeal/reconsideration.
- Note: "11/29/16 – Rule 134.804(a) Services reviewed for reconsideration. Additional payment made or service adjustment amount may be zero."
- Note: "11/29/16 Maintaining original denial, medication is outside of ODG therefore requires preauthorization. No preauth on file."

Issues

1. Was preauthorization required for Pennsaid?
2. Is TASB Risk Management Fund's reason for denial of payment supported?

Findings

1. American Specialty Pharmacy is seeking reimbursement of \$2,697.70 for the prescription drug Pennsaid dispensed on September 15, 2016. TASB Risk Management Fund (TASB) denied the disputed service with claim adjustment reason code 197 – "Payment adjusted for absence of precertification/authorization."

28 Texas Administrative Code §134.540(b) states that preauthorization is **only** required for:

- (1) drugs identified with a status of "N" in the current edition of the *ODG Treatment in Workers' Comp* (ODG) / Appendix A, *ODG Workers' Compensation Drug Formulary*, and any updates;
- (2) any compound that contains a drug identified with a status of "N" in the current edition of the *ODG Treatment in Workers' Comp* (ODG) / Appendix A, *ODG Workers' Compensation Drug Formulary*, and any updates; and
- (3) any investigational or experimental drug for which there is early, developing scientific or clinical evidence demonstrating the potential efficacy of the treatment, but which is not yet broadly accepted as the prevailing standard of care as defined in Labor Code §413.014(a).

The division finds that Pennsaid is identified with a status of "N" in the edition of the *ODG Treatment in Workers' Comp* (ODG) / Appendix A, *ODG Workers' Compensation Drug Formulary* for the date of service in question. Therefore, the division concludes that Pennsaid required preauthorization.

2. Review of the submitted documentation finds no evidence to support that American Specialty Pharmacy obtained preauthorization for Pennsaid. Therefore, TASB's denial of payment with claim adjustment reason code 197 is supported. No reimbursement is recommended.

Conclusion

For the reasons stated above, the Division finds that the requestor has not established that additional reimbursement is due. As a result, the amount ordered is \$0.00.

ORDER

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code §413.031, the Division has determined that the requestor is entitled to \$0.00 additional reimbursement for the services in dispute.

Authorized Signature

Signature

Laurie Garnes
Medical Fee Dispute Resolution Officer

May 10, 2017
Date

YOUR RIGHT TO APPEAL

Either party to this medical fee dispute has a right to seek review of this decision in accordance with 28 Texas Administrative Code §133.307, 37 *Texas Register* 3833, applicable to disputes filed on or after June 1, 2012.

A party seeking review must submit a **Request to Schedule a Benefit Review Conference to Appeal a Medical Fee Dispute Decision** (form **DWC045M**) in accordance with the instructions on the form. The request must be received by the Division within **twenty** days of your receipt of this decision. The request may be faxed, mailed or personally delivered to the Division using the contact information listed on the form or to the field office handling the claim.

The party seeking review of the MFDR decision shall deliver a copy of the request to all other parties involved in the dispute at the same time the request is filed with the Division. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision*** together with any other required information specified in 28 Texas Administrative Code §141.1(d).

Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.